SPEECH

OF

MR. LEVI WOODBURY,

OF NEW HAMPSHIRE,

ON THE

REPEAL OF THE INDEPENDENT TREASURY.

In Senate, Wednesday, June 9, 1841.—The bill to repeal the Independent Treasnry having been taken up, the question being on its passage,

Mr. WOODBURY said: It was my misfortune, sir, to be in a minority on the committee which reported this bill. I have heard nothing since to weaken my objections to the repeal of what is called the Sub-Treasury, but some things to strengthen them greatly. The die, however, is cast; the Sub-Treasury must, I presume, be abolished. But I fell it due to my opinions, expressed in the committee, as well as to friends, and the importance of the question to the whole country, that the reasons for my opposition to this hasty and extraordinary change in a great system for managing the finances for the Government, for the whole Union, should be publicly given. I am aware of the impatience felt by the majority for a decision, and shall, therefore, use all possible brevity.

It is difficult to comprehend the causes of so much haste in acting on the present subject. Why repeal what exists till some plan is presented instead of it? Let us have what you consider the bane and antidote before us at once. But, on the contrary, we are in this case asked to destroy an existing system, in full and successful operation, and which would continue to be so, if fairly administered, without expressly presenting any substitute whatever. We pull down our present house, to use the simile of the Senator who originated this measure, without a new one elsewhere to reside in, or even a shantee. No, sir, not even a log cabin for shelter till another house is built. We thus depart, also, from legislative usage in all like cases. The act of June, 1836, in regulating the State bank system, did not repeal the former one till the new regulations could be provided and duly executed. So the Sub-Treasury act did not repeal the State bank system till the Sub-Treasury had time to be carried into full force. He challenged gentlemen to cite a precedent for any such rashness as the present. Even in 1816 the public funds were not forbidden to be kept as before, till the United States Bank was chartered and in full operation. We create, then, a sort of dictatorship as to the finances in the President or Secretary of the Treasury, till some new system is hereafter established by law. We leave the sacred funds of the public, in a period of profound peace, and with no emergency, no urgent necessity impending, to the arbitrary will or caprice of mere Executive discretion.

There is no escape from the conclusion as to the lawless expediency which will then reign, unless, by mere construction, some other system is revived by this repeal. The repeal would be on its face uncertain, vague, loose. It cuts loose from the old moorings, and puts to sea with the whole public revenue, without rudder or compass. But it is said that much can be remedied by implication, by construction, by discretion. Then in abolishing the Sub-Treasury, we abolish what is a system, well considered, and in full force, and we do this for one to exist by implication, and that may mean any thing or nothing, to suit those who administer it—one temporary, not certain in its character, gone into disuse, obsolete, impracticable, and which, if no better is devised immediately, may be fastened upon us for years as the law of the land. I know that repealing a repealing statute, according to an old technical principle, well settled in Blackstone, Bacon, and Coke, revives in force the act existing before the first repeal. We shall have, then, apparently, the act of January, 1836; and bad and impracticable in many respects as that act is admitted by many of them to be, they would justify their course in reviving it, by the apology, that a better system can and will soon be substituted for it.

But are there not more enemies to the Sub-Treasury, than friends to any particular successor? Can all who vote against the former, unite in favor of a Bank like the last United States Bank? Or will all take a fiscal agent, not a Bank, and which so many of them have heretofore denounced? Again: will all unite in any improvement of the act of 1836? We know to the contrary; and thus, with the best intentions soon to have some different system, except what will spring up constructively after a simple repeal of the Sub-Treasury, the country may never get one. Look at the experience on these hopes and good intentions in this very Senate. Last March we were in such haste to get a Public Printer acceptable to the majority, that it was deemed necessary, so as to organize, to remove Messrs. Blair and Rives, though fairly chosen, and regular contractors under bond, without their assent, and without a

hearing or trial. Yet we are now in the second week of another session, and no successors to them have been chosen, or attempted to be chosen. Did gentlemen at that time dream of such extraordinary delay? The *improved* officers, the *reform* and new organization which was so indispensable then as not to be delayed scarce a day, strangely remains yet unaccomplished. Gentlemen may find troubles, and family schisms and procrastination as to the new *fiscal agent* they intend soon to create, which may lead to even longer delay than has occurred in the appointment of new printers.

In the mean time this body and the Union may be subjected to the discretion of the President of the United States and the Secretary of the Treasury, in keeping and disbursing the public money, and which the Senate has been subjected to in its chief officers since last March, in respect to its public printing. We have been too often of late years forced into this condition of mere construction. Who has done our printing since, and at what price? and by whose direction, and under what law? Nobody, nobody, sir, except under the arbitrary will of our President *pro tem.* and our Secretary. Exercised that will may have been discreetly, and doubtless with good intention; but under what law, what Constitution, or what printed rule? Are we then to be governed by star chamber commissions or State circulars? Gentlemen felt much more jealous and sensitive on these subjects of unlimited discretion in 1836, it seems, than now; and the union of the purse and sword, which was then the burden of daily denunciation—that very union they are, by this precipitate repeal, as I shall endeavor soon to demonstrate, they are forewarned, and deliberately, voting to produce. Yes; to produce it for a time, they cannot but admit; and for months, if not years, all will concede is possible, if not probable. To accomplish this union, what is proposed to be previously done?

Independent of the unprecedented manner, what is the substance of our action to be on this occasion? What kind of a system do we abolish—and why? And what kind of a system do we virtually substitute for it? Even for a day, or an hour, as the gentleman from Virginia said yesterday, we should not uselessly leave the public funds to discretion. Is it for the mere whim of change—change—change—and change also for the worse, that we must pass the repeal, and the repeal of a great measure affecting millions of people, and millions on millions of the public treasure?

What are the reasons, then, for action upon it? Why, forsooth, the mover of the measure says no reason need be given. It is a case already decided. The people have returned a verdict against the Sub-Treasury, and we have come here merely to enter up judgment against the Sub-Treasury system and its friends.

If this be our position in fact, I hope we shall have the benefit of that gentleman's experience, as well as sympathy, since in 1828, on the same theory of reasoning, the people returned a verdict against a former Administration, of which he was a distinguished member. But will he admit now, or did he then admit, that the election settled all the points in discussion before the people, and that a verdict was returned against him and them on all these points? Far from it. We were sent here to examine, to reason, and to decide ourselves on reasons and facts, and not on fancied verdicts.

We came here to do a great public act on behalf of seventeen millions of people and twenty-six States of this Union. Ought they to do this without duly considering what was the duty required of them? And what must be the effect of their act, whether that effect were temporary or permanent? Without this, they could not act discreetly in abolishing an important existing system. Mr. W. would readily admit, as some gentlemen had suggested, that there had been much talk against the Sub-Treasury, and some arguments during the Presidential canvass. It had been greatly abused and grossly misrepresented, but he was not prepared to admit that there had been any verdict of the people against it. Was the repeal or the continuance of this law the only issue made before the people at the late election? Was the result of that election a verdict on that issue alone, and not on others? The Senator from Kentucky had, to be sure, said that they came here for judgment—to carry into execution the verdict of the American people; but he would ask that Senator again whether the result of that election was to be held as a decision by the people on all the questions which had been discussed before them? If so, how did it happen that they were sitting here in this splendid hall, lighted by the magnificent and costly candelabra and other splendid decorations now before them? Had it not been decided that there should be no extravagances of this kind, with all its unavoidable expenditure? That gentlemen must not eat out of gold spoons, but must use horn? That the President must live in a log cabin, and not in a palace? ride on a pony, and not in a coach? That they must not indulge themselves in the luxury of champagne, but must drink only hard cider? Did not the verdict of the people cover all that? It was easy for gentlemen to talk about issues being decided by elections, but he asked, what had been the issue in 1828, and what had been the verdict given then?

The Senator had had some experience in such matters, then, as before suggested. Did he believe that the people had passed a verdict on all the questions which had been mooted during that election? No; nor did Mr. W. They had different questions argued then; they had the question about soda water furnished at public expense, about billiard tables paid for out of the public money, and other grave issues of a very different and high character as to Panama missions, and certain Presidential coalitions. Did the Senator hold that the people had delivered their verdict on all these points? Why cut out the Sub-Treasury from all the other subjects agitated at the late election, then, and say that the verdict of the people had been given on that issue. But some of the gentlemen held the doctrine that they were not bound even by express written instructions from their own constituents. Much less, then, were they bound by a verdict given on five hundred issues, given at cross-roads, given at grog-shops, and on the hustings. There was nothing in this

argument. It answered very well to talk about for political effect; but the people decided no issues but such as they put on record. The issue they decided was, that they elected this man as their Chief Magistrate, and not that man. That was an issue by which all were bound, and which all must respect. But the evidence went no further. For that reason it was that he addressed arguments to gentlemen, and entreated them not to throw themselves on imaginary or uncertain verdicts. He asked them what they were abolishing? What were their reasons for abolishing it, and what were the facts of the case?

You propose to annul a system which facts sustain and sound principles justify, however much it has been assailed from Maine to Louisiana, by the gross misrepresentations and wanton libels—caricatures, coarse and obscene songs—stump speeches and log cabin carousals—all enlisted against it. But in these cooler moments of political strife, all must admit that the Sub-Treasury, though not so fashionable in its appearance as the marble palaces of some banks, is a plain, honest, strait forward system. To the admirers of the improved, refined, polished, boasted credit system of recent times, the Sub-Treasury may not seem to deal so flippantly in millions on paper; but what it has is its own. It does not strut in borrowed plumes, nor does it cast off its clothing if a little old fashioned, or indeed homespun, for the dandy robes and essenced equipments of its rivals—the lovers of the improved modern modes of growing rich without capital—and on the industry of others.

In its documents and transactions, it may not use all the classical engravings of the Pennsylvania United States Bank or the Gallipolis Bank; but it has always redeemed its promises a little more promptly, and indulged a little less in unauthorized cotton speculations or gambling purchases of stocks; whether in railroads, canals, or lithographic cities; and whether on the lakes, the Atlantic, or the Mississippi, or, passing the boundaries of the Union, dabbling in Texan scrip, or Mexican bonds. It may be somewhat antiquated. If the Sub-Treasury be not a new invention, like some of the modern banking, in approved modern style, it has the superior merit of being justified by considerable experience in the world. It was in existence here long in the General Government, and in most of the States, with county and town treasurers, as well as with more important ones, and has, substanstially, for centuries, been in force in most of the civilized, safe and flourishing Governments of Europe. It is merely a system *to keep*, as the act of 1789 simply provides to *keep* the public money, and not to lend it. To keep it safely till wanted, and not loosely to be squandered in speculations; and to keep it in specie, or its equivalent, so as to have something on hand useful, reliable, and honest, for the payment of debts, instead of being left in the mere rags or fog. This is the true substance of this abused system. Next, it is a system complete in all its parts, and clear in its provisions—well argued—well matured—well guarded—rather than the piebald, uncertain, denounced and arbitrary system, which must, in the present condition of the banking institutions, virtually succeed to it by this unqualified repeal.

Furthermore, it is a system, above all others, *eminently constitutional*. It is partly developed in that holy instrument itself, and it was one of the first offspring of legislation under it—imperfect and limited then, I admit, but yet essentially the same as now, except more carefully and explicitly regulated now, and suited to our increased territory, numbers, and wealth.

In the next place the Sub-Treasury is a system *independent*. This has justly been its title, and one of its boasts. It neither creeps nor cringes to corporations or bank directors for aid, but has within itself officers, safes, vaults, and powers, rendering it, like the General Government as to States, self-moving, self-acting, self-efficient, and thus *independent*.

It is, also, a *system* that can be enforced. It has proved practicable, notwithstanding all prophecies to the contrary, and will continue to prove so, if properly administered, and if such amendments are made in details, not affecting its vital principles, as experience may require. Its fruits thus have been salutary; its officers are amenable to us, and not to the banks or the States; and their operations are regulated by us, and not by others, over whom we have no control.

It is a system *economical*. Its whole expenses yearly, after its operations began, will be scarce half what the new Secretary of the Treasury proposes indirectly to give a Bank of the United States, by borrowing four millions on interest, to be used as a surplus in the Treasury, and of course to be deposited in his new National Bank, to be used there without compensation for loans and accommodations.

It is likewise a *safe* system. Whatever Mr. Ewing may say as to losses in connection with it, he takes special care in his amount of losses, to go back twelve years instead of one year since this system begun. He thus speaks of losses by millions within twelve years, and which must have been under the United States Bank system and State Bank system. But he does not specify the loss of a dollar under this system alone.

[Mr. CLAY, speaking across, said the accounts have not been yet settled.]

Mr. WOODBURY replied. No losses have yet been made known, and if any existed, or were believed to exist, the powers that be would not be slow in publishing them. The new Secretary dwells also on its exposure to robberies, when not one has ever taken place; while within the period of its existence, banks without number have been robbed in all possible ways and to almost all possible amounts. It has been almost a universal wreck in some States. Just on the eve of our arrival here, and in an adjoining county, one seems to have been robbed of more than the amount of its whole capital. Neither the President, nor Secretary, nor the keeper of the money, could touch a dollar of it, except as the law directs, without a robbery and condign punishment. The country has been made to believe wrongfully, that any of these officers could take the money at pleasure, and thus had entire control over the purse.

Nor could the President, Secretary, or others,

loan a dollar of the public money under the Sub-Treasury, without danger of fine and imprisonmen—without, indeed, being burglars or thieves—and the *penitentiary reclaiming its fugitives*. This was not a system where the funds can be applied to maintain political favorites—or to buy up political presses—or to circulate political speeches and pamphlets—or to fee counsel—or to give salaries of $100,000 to single officers. But under the Bank system, its officers could and have taken millions on millions without authority or punishment—and loaned or speculated with it to the four quarters of the globe. Our ears have been almost stunned with the crash of banks around us in every quarter. Scarce a wave floats by us that does not bear fragments of ruin. Indeed, this very bill of repeal contains a high and deserved compliment to the safety of the Sub-Treasury system, however much questioned by Mr. Ewing, for it re-enacts one of its prominent and much abused provisions to punish defaults and embezzlements.

Again, how much *safer* is its currency? What would have been the *credit* of the General Government the last four years, with United States Bank notes on hand for public payments, *Red Dog* notes, Brandon Bank bills—and all the shinplaster litter? It would have been as low as that of many of the spendthrifts, speculators, and partisan vagabonds, who have assailed it, instead of being as high as any Government in the civilized world. What would have been the losses also in its receipts and expenditures with such depreciated trash?

In 1816, by taking such paper, the loss was computed by Mr. Gallatin, to the Government alone, at near four millions; and by a committee of the House of Representatives in 1832, it was computed at the appalling amount of thirty-four millions.

Another of its excellences is, its comparative freedom from *Executive influence*. The distortions of party have, however, charged and blackened it all over the country with being the reverse in this respect—with what truth and justice, let an impartial examination of the act demonstrate. Not an officer of importance can be appointed under it, without the control and approval of the Senate. But under the other system, the Bank that held the money was selected by the Secretary of the Treasury alone, or by the President alone, without any interference of the Senate. They were changed at pleasure, too, by them, and its officers by the Bank directors or Bank stockholders. On the contrary, the officers of the Treasury could not be changed without the sanction of the Senate. Yet the partisan cry has been the Sub-Treasury! increased Executive influence! Unfounded. It has diminished such influence in every way. If the officers can be removed now, *without cause*—and such things seem possible, by the sudden new appointments, since the 4th of March, of Receivers General at Boston, New York, and Charleston—so the banks could have been before this system, or at least their officers could have been, and by stockholders, politicians out of office, as well as by the President? Whether reasons are yet to be given, remains yet to be seen. If they are, or if the Senate does its duty, it will be known whether Executive influence is not checked or restrained, instead of being increased. Nobody had been displaced before for these receivers, and no charges whatever have been published against their irreproachable characters.

But more of this power and practice of removal on some future occasion, when we will see how *proscription has been proscribed* by this reforming Administration, and how it has put down, among its other reforms, the *rewarding of political partisans by office*—how it has set officers free from fear and favor, *and emancipated them*—how office-holders have ceased to be *pliant creatures* of the Executive, and how members of Congress have been excluded from *Executive influence*, by being excluded from any share in the odious *spoils* of office.

Again, as to the comparative influence of the Executive out of doors in pecuniary matters under the Sub-Treasury and former systems; let them come down to facts. Could the Executive put his hands into the vaults of the Sub-Treasury and take out a single dollar without subjecting himself to be sent to the penitentiary? Not a dollar could be drawn out but by warrants and drafts. Neither the President nor his Secretary of the Treasury could take from its custody enough to buy a pen, nor could they loan out the public money for purposes of speculation or gambling. If they attempted such a thing, they would be convicted of embezzlement and sent to prison. Was this the case under the bank system? Could not the Executive, or the Secretary, in person, or through their friends, be accommodated with loans by a Bank of the United States or by the pet banks? Had not the public money been lent in thousands and hundreds of thousands to friends of the Bank, both out of Congress and in Congress? But when had a dollar of the public money been loaned under the Sub-Treasury? The thing could not be done without burglary and theft. And yet, strange to tell, the community seemed impressed with the idea that under that much abused system the President and the Secretary of the Treasury could take and use for their own purposes just as much of the public money as they pleased. Thus it will be seen that the Sub-Treasury, in every way, restricted and reduced, instead of increased Executive influence; and one of the gorgons conjured up against it before the community turns out to be mere vapour and false glare.

But the Sub-Treasury system had yet one other and infinitely greater excellence. It did not stimulate the spirit of wild and reckless speculation by loaning out the public money. All such loans were, by that law, strictly prohibited, and it was an acknowledgment and homage paid by the Senator from Kentucky to the excellence of that law, that, bent as he was on destroying the system, he retained this feature of it and incorporated it in his own bill. That system provided likewise no stimulus for overtrading. On the contrary, its effect was to subdue and quench that destructive fire which had consumed the prosperity of the country. It kept the public treasure where it could be had when it was wanted. Every receiver general, every treasurer of a mint, must be ready to pass over every dollar of the funds in his hands on its demand by the Government. But was this the case under the Bank? Far from it. When the

money was most wanted by the Government, it was most wanted by the banks also.

On the other hand, it checked instead of stimulating expansions and overissues. It was calculated to work a slow, but sure reform in banking, in every neighborhood where much public money was collected. Because it throws back on the speculating and expanding bank for specie, their excessive emissions of paper.

But, in the next place, he was compelled to look at what must succeed this system when it was destroyed, whether it was temporarily or permanently. What would succeed it temporarily? Nothing was provided in the bill itself, but it was held that the previous law revived *ipso facto*. Now, if the Sub-Treasury was destroyed, what law would be revived by its repeal? We were to have the act of 1836, with all its acknowledged imperfections in its train. Would this be a better system? Wise men did not pull down one thing to substitute another, unless that other were a better. The act of 1836 was not without some excellences. It contained a provision which restrained the Secretary from removing the deposites from a bank where they had been placed, provided that bank continued to redeem its notes in specie; it also forbade the depositing of the public money in non-specie paying banks, and in banks issuing notes under five dollars. Some approved of it in the abstract, because it was a system regulated by law. When the Secretary of the Treasury, under President Jackson, had been forced to remove the public deposites from their former depository, as he was authorized to do by an express law, and there existed no regulated system for the safe-keeping of them, he had implored Congress to pass a law for that purpose, and they passed the law of 1836. It had these excellences. But they were countervailed by defects which, in connection with commercial convulsions and foreign oppression, broke it down in twelve months, and it was now a dead letter. One gentleman had suggested that it may have been destroyed by faults in its administration, and not in the system itself. This suggestion had been made before. Mr. W. would not argue whether this were the case or not, but he saw ample cause for its failure without this. It provided that twelve or thirteen millions of what had been deposited in safe banks should be taken out of them and divided among seventy or eighty others, for no other purpose than to give each of them the benefit of its possession. A bank was to be selected in every State, and numbers in some of the States, as no one could hold over a certain ratio to its capital, and the effect was general stimulation of the community to every form of speculation and gambling. The banks were required to pay interest for the money, at least for all they held over a given proportion, and they consented to take the money obviously because they expected to loan it out. Was not this in itself sufficient to break down any set of banks in the world? Could such an operation be accomplished without infinite distress? To force suddenly twelve or thirteen millions of dollars out of the channels of trade, and to put it in entirely different depositories, was an operation which Mr. W. insisted to be one true cause of the ruin which followed. That alone was sufficient to account for it; but on the back of this, there was superadded the requirement to collect within nine months 36 millions more, and pay it over to the States. Was it any wonder that the most ruinous consequences should follow? No discretion was left to the Secretary; the time was fixed by law, and, should he fail to obey, he was liable to be impeached, and was actually threatened with impeachment. This great work he had actually done as to the thirteen millions, and then he had collected nine millions, and then nine more, and deposited it with the States in specie, or in specie worth, and it was emphatically said at the time that every instalment in the payment of this money was a new turn of the screw. The pressure rose from rheumatism to gout, and from gout to convulsion. All this suffering had been attributed to the Executive and to the Treasury Department, as though it were their wrong, when, in fact, they had but carried out the law of Congress. Then had come in addition to all the rest, an unexampled recoil from abroad, produced by the course of the Bank of England. American credit was suddenly cut off by millions at a blow, and the distinguished American houses were obliged at once to stop all their open credits. Yet this, too, was charged upon the Treasury.

In such a condition, without any fault on the part of the Executive, the United States Bank went by the board with the others. The old bills had not all been redeemed in specie to this day. If its charter had been renewed, and the forty millions of public money had then been in its vaults to be drawn out as the fatal act of 1836 imprudently required, it would have been one of the first institutions to suspend specie payments, as it was, without being compelled to disgorge such an immense sum for the Government.

No intelligent merchant or financier in the civilized world can be informed of all the facts, undisguised, and arrive at any different conclusions. To illustrate, that it was the collecting and paying over such immense sums, in connection with the other convulsions which prostrated such a system, rather than any thing wrong in its execution, I will trouble the Senate with a single anecdote.

In compliance with the requisitions of the law, deposites were made in North Carolina, which carried money out of the usual course of trade. The order to transfer the funds was given in advance, payable in North Carolina. This was strenuously objected to, and the Secretary was asked why he did not make the order payable in New York? The Secretary was acquainted with the operations of trade, and knew that the order could better be met in North Carolina than in New York, because New York was then drained of specie, and claims might be due to it in North Carolina sufficient to pay it there. But the drawees came to him, and insisted that the drafts should be made payable in New York. He did so, and the holders immediately went to New York and demanded the specie. The drawees at once saw that by the change they had aggravated the evil, by losing more specie, instead of finding relief; and they entreated that the Department would make the future

drafts payable, as they had been made originally, in North Carolina. It was, however, the being obliged to part with the public money in such large sums, in so sudden a manner as the laws rendered imperative, that led to embarrassment, and not the form or manner of paying them.

It reminded Mr. W. of the Irishman who was ordered to be flogged, and when he was flogged low down wanted to be flogged higher up; but when flogged higher up, wanted to be flogged lower down. Mr. W. had been determined to execute the law, cost what it would, and let those who made it be answerable to posterity, that just tribunal whose judgments, though often slow, were ever sure and true. As might naturally have been expected, the newly made deposite banks, flushed with the possession of their twelve or thirteen millions of dollars, speedily disgorged this treasure upon the community, (as the former deposite banks had already done,) for they had been obliged to pay interest for it, and were glad to loan it out as soon as possible. The consequence of this, in both sets of banks, had been that the land sales, which usually realized from two to three millions of dollars, were swelled to twenty-four millions in a single year. For the prices of public land, too, were kept low, while all other prices rose, and the banks virtually gave credit for the purchase, instead of the Treasury. The banks which had loaned their money to individuals instead of the Government, giving credit or loans for the lands as formerly, when called upon by Government to pay, could not collect it in, nor what had been lavishly loaned for other speculations and trade, and the natural consequence was, that they all went to wreck —suspension was inevitable. But these lamentable consequences were not to be charged to the administsation of the pet bank system, but to the provisions of the law itself. And were gentlemen called upon now to revive such a system as this? Must the Secretary of the Treasury scatter the public money among eighty banks and revive again the scenes of 1836, so far as the public money, diminished, to be sure, greatly in amount, might permit or require?

It was injudicious—almost insane. But this, in truth, would not be the real result of the repeal. The keeping of the money, then, though nominally by the law of 1836, would, in fact and in truth, be cast on the unlimited discretion of the Treasury Department; for the law having been rendered impracticable by the change of times, the Department must necessarily be thrown back on the laws in force before this was enacted. Mr. W. would undertake to say that there could not now be five banks found in the whole United States such as that act required deposite banks to be; and the act itself declared that in such case the Treasury must revert to the previous laws, and those previous laws allowed the deposites to be placed in banks which did not pay specie; and to place it there, not merely on special but on general deposite. Nor was this any thing new—this very thing had been done by Secretaries Campbell and Dallas for years together, and it must be done again. The Pennsylvania Bank of the United States could be selected as well as any other, if the Department pleased.

There were other consequences which must also follow. The Secretary would not merely be compelled to use banks of this description, but he would be stripped of every facility in the business of his Department until he did make his selection among the banks, and place the money there. He invited gentlemen to put inquiries to the present Secretary of the Treasury, and see what answers they would get. The moment this bill became a law, the receivers general, as such, were dead—the Secretary could no longer draw on them. Where must he put his money? What must he do with his drafts? In New York immense sums were coming into deposite at the rate of ten to fifty thousand dollars a day. The Secretary could not arrange with a bank to receive this money under less than a week, and in the meantime the Collector or the Receiver-General might have half a million of dollars under his lock and key, and be at the same time out of office. Who would be liable then? Not his sureties, for the new funds; their liabilities expired with his office. In the more distant parts of the country, such a state of things might exist for a whole month. That time must elapse before the Receiver knew that his office was abolished; but the Secretary here would know it, and could not draw upon him. What, then, must be the result? In one portion of the country he would draw on collectors; in another portion he must act under the law of 1836; and in still another he must be left at his discretion, under a construction of the old law. Here would be three or four fiscal systems in operation at one and the same time; and all this state of confusion must ensue because gentlemen would insist upon repealing one plan before they had provided another.

In the mean time, what was to be done with the contracts for building—with the new vaults, books, and furniture? Where should marshals and district attorneys deposit their collections—often immense? How should patentees or postmasters get along? All would be left in chaos. It would be confusion worse confounded. Gentlemen should at least have retained the mints as depositaries, if nothing else, till they got new agents. They should have at least allowed the hardy emigrant from the east on the seaboard, before crossing the mountains, to continue to pay for his land, if he pleased, before he started, instead of carting specie across the Alleghanies. What is done with the clause that goes to prohibit any new specie circular? Abolished. What with the three clerks in the Treasury Department created under this act? Abolished. But no more of details.

Another question arose as to what money the Treasurer should receive. It was contended that he would be under the act of 1836. If so, then all public dues must be paid in gold and silver. There was not a bank in New England which did not issue or pay out of others bills under five dollars, and the act of 1836 forbid the receipt of any notes of any such banks. He was prohibited from receiving their notes, though redeemable in specie, and therefore, instead of receiving his dues one-half in convertible paper and one-half in specie, as in the next month, he must have the whole amount in hard money, or violate his oath. Some gentlemen, indeed, on this side, might like the mea-

sure on this account, but would the friends of this bill vote for it in this view of its effects?

They would soon, if no other system was agreed on, begin to reason as on the repeal, that the people had rendered a verdict against specie. Over three-fourths of the Union now, and near all of it in 1837—the practice of a majority of the people and of the State Legislatures, it will be said, were against specie, and the specie circular. The sound sense and strong moral feeling of the people in many places have been deluded and persecuted in favor of depreciated paper. It is not merely a vitiated taste, but gambling speculators have made them believe it is for their interest to have a new paper standard, and not the gold and silver Washington and his compeers sought to introduce and perpetuate.

Let me admonish, then, all who hear me, that concerning the currency to be received for public duties in the new state of affairs, and as to any supposed verdict of the people thereon, if Congress adjourned without providing a substitute for the Sub-Treasury, it would soon be argued and found that the joint resolution of 1816 was not imperative. Its language was not, that paper of a certain description should be taken, but that it *ought* to be taken. Yes; it ought. But supposing the Secretary could not get it readily, how then? What had been the argument in 1837 on that point? Shinplasters were then current, and what had been called the ten cent rebellion in Boston had been gotten up, because specie was demanded by the collector. The Secretary would say he could not get convertible notes, and the verdict of the people was, that in that case he must take depreciated paper. By this state of things, all specie and specie paying banks must go by the board. Discretion was said to be the law of tyrants; yet now the Treasury was to be let loose again, to use, at pleasure, the paper of non-specie-paying banks; and this the Secretary, it would be argued, could not avoid, if he respected public opinion.

But it was said that we should soon have a substitute. Some great fiscal agent was to be provided, or else an old fashioned Bank of the United States. Mr. W. would not argue that question; with him the time was gone by; but he would ask the members of that Senate whether they were ready to repeal the existing law, to re-establish such an institution as the old Bank of the United States? If they were, very well, bnt he could not yet tell whether such a plan had been matured and was to be presented. Why not wait till then, and see whether a majority of this body will take an institution instead of the Sub-Treasury, which has been condemned by most of the Democratic fathers of the Constitution—which the present President himself concedes has been condemned by the people—which has been condemned by experience as well as reason—which has no power to resist suspensions and enormous losses, and which a few years ago, after becoming *better and stronger* by a new State charter, and getting *rid of a bad partner* in the General Government, as its chief officer declared, has since blasted the livelihood of thousands of widows and orphans, and, in the opinion of many, covered the whole country with infamy and ruin? Do gentlemen wish to abolish the Sub-Treasury for such a Bank? Do they wish to give Congressional sanction at home and abroad to such enormities?

Next: do the West and Southwest want the still *lower prices*, and ruinous sacrifices of property, caused by putting such a Bank in operation from 1817 to 1820? Let gentlemen read the history of that era, and they will pause. They are seeking the wrong remedy for the existing disease, as he would hereafter attempt to show on some other occasion. It was said, however, that we were to have a Bank that would not be unconstitutional; it was to be free from all objections of that kind. He was glad to hear it; but what was the plan? Had not gentlemen better wait till they saw whether it did avoid all constitutional difficulty or not? Surely they would act thus in their own affairs; why not in the affairs of the public? What was this bank to be? If it was to be a mere fiscal agent not incorporated, then it was a Government bank; and he said to gentlemen that, by their declarations and opinions, they were abolishing just such a bank, though without the name. All they had to do was to call the Sub-Treasury a fiscal agent, and the thing would be, by their reasoning, effected. Was this any thing new? Had not gentlemen contended that the bill of 1840 went to create a Treasury bank? Yet they were now for destroying that, only to make another. Here Mr. W. quoted the title of a speech by Mr. CLAY in 1840, which he held in his hand, in which the Sub-Treasury was denominated a *Government bank, of which the President of the United States was to be president, cashier, and teller.* All they had to do was to give the Secretary power to issue small drafts, and the Sub-Treasury would be a Government bank, according to the reasoning of this speech.

Mr. CLAY here interposed to inquire of Mr. W. whether he rightly understood him as now admitting that the Sub-Treasury was a bank.

Mr. WOODBURY replied in the negative. Your speech had represented it as a bank only under the supposition that the Secretary could cut up his drafts into small sums, and use them as bank notes.

Mr. CLAY. Well, and could he not do it?

Mr. WOODBURY. He did not do it. I admit that the argument itself is a fair one, but he did not do it, nor could it have been done without sanction of law; nor was it ever intended to be done, unless required by Congress to do it.

It would then be only a bank of circulation, but not duo of deposite for individuals, nor one of discount at all; which last kind of bank was made, and especially a National one, so open to politaic favoritism and corruption.

I will not, on this occasion, detain the Senate longer, and did not intend at this time to say half so much.